

FLEET MANAGEMENT POLICY



MHLONTLO LOCAL MUNICIPALITY

MHLONTLO MUNICIPALITY

FLEET MANAGEMENT POLICY

CONTENTS

- 1. Introduction**
- 2. Listing of Council owned vehicles**
- 3. Departmental allocation of vehicles**
- 4. Staff traveling and re-imbursement of expenditure**
- 5. Vehicle usage policy**
 - 5.1 Vehicle reservation procedures**
 - 5.2 Vehicle usage control sheets**
 - 5.3 Vehicle usage authorization procedures**
 - 5.4 Vehicle usage restrictions**
 - 5.5 Vehicle allocated to specific positions in the Council**
 - 5.6 Vehicle security**
- 6. Administrative matters**
 - 6.1 Acquisition of vehicles**
 - 6.2 Replacement of vehicles**
 - 6.3 Replacement of stolen vehicles written off in accidents**
 - 6.4 Tenders for the purchase of new or the sale of redundant vehicles**
 - 6.5 Purchase of new or used vehicles**
 - 6.6 Administrative arrangements**
 - 6.7 Loss or damage reporting procedures**
 - 6.8 Insurance claim procedure**
- 7. Maintenance control procedures**
- 8. Travel re-imbursement and duties of Heads of Departments**

1. Introduction

There is always some confusion surrounding the use of Council owned vehicles and this document intends to clearly illustrate exactly what procedures are to be followed, who is allowed to use Council vehicles, which vehicles certain individuals may not utilize and other procedures regarding the efficient and effective use of Council owned vehicles.

This document must be adhered to at all times and should be used as a reference whenever any grey area arises in respect of the use of Council vehicles.

Not only are the Council's vehicles very expensive assets which must be safeguarded at all times, but they are also assets which incur a great deal of running costs. It is for these reasons that a vehicle usage policy is an extremely important policy document which enhances the control over assets by laying down the procedures to be followed in such a way that the Municipal Manager and the Heads of Departments are able to adequately control the running costs effected by vehicles and in so doing, prevent the unnecessary risk of Council incurring excessive expenses relating to its fleet.

A proper vehicle usage policy will ensure the effective and efficient utilization of the vehicle fleet of Mhlontlo Local Municipality. As with any other controls, a balance must be found between the cost of the controls and the value of the asset that are being controlled. The extent or perceived extent of abuse must also factor in a decision about which controls to implement.

The purpose of this document is, therefore, twofold:

Firstly to serve as a comprehensive tool for the users of motor vehicles, and secondly to enhance the internal control over the Council's assets thus minimizing the risk of unnecessary expenditures.

In the event that clarity not being obtained on any specific issue relating to vehicle usage, and this policy document is silent on the issue, the Municipal Manager and the Chief

Financial Officer should be consulted and the document amended subject to Council approval.

2. Staff traveling and re-imbursement of expenditure

The following allowances for re-imbursement of expenditure will be granted to the following positions within the Municipality:

Municipal Manager, Directors, Deputy Directors and Assistant Directors

Traveling expenditure will be reimbursed at a rate as approved by council. The reimbursement will only be made if the travel has been pre-approved by the Head of Department and this must be obtained prior to any business travel.

The official employed in any of the positions of the Municipal Manager, Director, Deputy Director and Managers are strictly prohibited from driving and utilizing any municipal vehicles.

In the event that a municipal vehicle is traveling to a specific destination, and the abovementioned officials are due to the same destination, the abovementioned officials' will not be entitled to any reimbursement for travel in their own vehicles, subject to, that there is sufficient space in the municipal vehicle to accommodate all destined for the same destination.

In the event that any two or more of the abovementioned officials be traveling to the same destination, not more than one vehicle must be used, subject to, that there is sufficient space in one vehicle.

Technicians

Council owned vehicles will be provided for use by these officials from Monday to Friday.

All other staff

All other staff members are to utilize the Council pool vehicles in the event that they are required to travel to any destination on Council business. The procedures laid down for the booking and usage of Council owned vehicles as outlined in paragraph 5.1 must be adhered to.

3. Vehicle Usage Policy

5.1 Vehicle reservation procedure

In the event that any staff member requires the use of a pool vehicle, they must reserve the vehicle at least two days before the scheduled use thereof. The staff member must contact the departmental head and communicate the fact that he needs to use the vehicle and the following procedures must be adhered to:

Verbally(must be in writing in the form of memo) the Head of Department in which the staff member works that he will be away from the office for whatever reason, including the expected amount of time he believes he will be out of the office. (At least two days before the scheduled use).

Verbally(must be in writing in the form of memo) inform the Head of Department which has control over the vehicle that he intends to use the vehicle and would therefore like to reserve the vehicle. (At least two days before the scheduled use).

There must be a reservation for an ad hoc basis but there must be a proof.

Fill out the required "Vehicle Reservation Form" and hand it to the Head of Department who has control over the vehicle. Copy of the vehicle reservation form has been attached as Annexure A. The form must be handed to the Head of the Department controlling the vehicle at least two days before the schedule use.

After steps A to C have been completed, the vehicle will be deemed to have been reserved and the keys should be collected from the Head of Department controlling the vehicle the evening before the scheduled use.

In the event that there are any problems experienced with the reservation procedure, the Municipal Manager must be informed immediately in order that he may resolve the issue.

The staff member (there should be no staff member who should drive municipal vehicles other than the municipal driver) is now free to utilize the vehicle on the specified date and will only be authorized to utilize the vehicle for the period stipulated on the vehicle registration form. In the event that there are any deviations from the details stipulated on the form, the staff member will be subject to a disciplinary hearing in terms of the Council's Conditions of Employment, unless the staff member can provide adequate representations in respect of the deviations.

5.2 Vehicle usage control sheets

Every time a pool vehicle is utilized, the staff member, having completed all the procedures as listed in 4.1 above, must complete a vehicle usage control sheet on the day that the vehicle is to be used. The vehicle usage control sheet must include details of the staff member using the vehicle, the destination, date of use, opening and closing odometer reading, number of kilometers traveled, the purpose of the travel and the necessary authorizations.

(A copy of the vehicle usage control sheet has been attached as Annexure B).

The vehicle usage control sheet must be consecutively numbered and must be handed to the Head of Department controlling the vehicle prior to the actual use of the vehicle.

The vehicle control sheet must be completed in full and if not, use of the vehicle must be refused by the Head of Department controlling the vehicle.

Vehicle usage control sheets must be filed in numerical order and kept in the Department which controls the vehicle.

5.3 Vehicle usage authorization procedure

The vehicle usage control sheet must be authorized by both the Head of Department in which the staff member requiring use is employed and the Head of Department which controls the vehicle. This authorization will take the form of a signature on the vehicle usage control sheet and all authorizations must be obtained prior to the actual use of the vehicle.

The Heads of Department should always ensure that all the details on the vehicle usage control sheet are accurate and this includes the odometer readings at the start and end of the specific travel. The Heads of Department are responsible for ensuring that all details are correct and, in the event that there are discrepancies in any of the information, should question the applicant and, if necessary, carry out disciplinary procedures in the event that there has been deliberate falsification in the information provided on the vehicle usage control sheet.

The Municipal Manager must be informed, immediately, in the event that unexplained discrepancies arise and corrective measures should be taken to adjust, if necessary, the historical information on the vehicle usage control sheet. Any adjustment made in accordance with this paragraph must be fully documented, including the date, the month of the adjustment and the reasons for the adjustment. Any adjustments made to any of the vehicle usage control sheet may only be authorized by the Municipal Manager.

5.4 Vehicle Usage Restrictions

All vehicles are the property of Mhlontlo Local Municipality and as such, are public assets, funded from public monies. The Council has been entrusted with the efficient, effective and economical usage of these public monies and are therefore liable for any loss or damage suffered as a result of negligence or abuse.

The use of Council owned vehicles thus extends this liability to the users of the vehicles and, as such, all users of municipal vehicles are to take every precaution to ensure that no loss or damage occurs whilst they are in possession of the vehicle. It may occur, from time to time, that incidents occur which are not as a result of negligence or abuse and these must be reported to the Municipal Manager immediately utilizing the loss or damage report sheet (Annexure C) and the insurance procedures listed under Section 5 must be followed.

In the event that any damage or loss is incurred whilst an employee is in possession of a vehicle, this must be reported immediately to the Head of Department that controls the vehicle, and the Municipal Manager. If it is proved that the loss has been suffered through negligence or abuse by the vehicle user, disciplinary action must be taken.

It is the responsibility of each and every person, requiring the use of a pool vehicle, that an inspection of the vehicle prior to the acceptance thereof be undertaken. This will ensure that damages are not left unreported and will further ensure that individuals are not wrongly accused of causing the damage.

The Council vehicles are to be used for official Council business only and may not be used for any other purposes. Under no circumstances will staff members be allowed to utilize Council vehicles for private business.

5.5 Vehicle Security

Vehicle security is extremely important as it is one of the chief safeguards in the protection of Council vehicles. The following procedures must be followed for all Council owned vehicles:

5.5.1 Parking of Municipal Vehicles

All Council owned vehicles must be locked and stationed at the Council premises every evening, on week-ends and during public holidays. The Council premises are manned by

security guards and this is the main deterrent against theft of the vehicles. Under no circumstances are vehicles to be taken home by Municipal Drivers but the municipality should either provide car allowance not exceeding 25% of basic salaries of municipal drivers or Refer to overnight policy from the department.

5.5.2 Tracking Devices

Tracker devices can also be a great help. It is firstly a great assistance in finding stolen vehicles and also as a tool to reduce insurance costs. Although, currently, Council vehicles are fitted with these devices, this option is considered very expensive, and largely ineffective for general fleet control measures, unless area maps accurately indicating areas which employees are allowed to travel in are available in the correct electronic format and a dedicated person is available to analyze the data on a regular basis.

6. Administrative Matters

6.1 Acquisition of vehicles

The respective Departmental or Divisional Head must identify the need for a vehicle.

As soon as the need is identified, a report for preliminary approval is to be submitted to the relevant Portfolio Committee. A report should contain the following information:

- A full motivation
- Indicate whether the purchase of the vehicle will result in the improvement of the service in the area
- Indicate whether the purchase will result in income generation, the estimated additional income that will be generated directly as a result of the acquisition thereof
- Description of use and predicted percentage of utilization
- Recommended type of vehicle
- Minimum specifications of vehicle

- Cost implications for Council: Capital, running costs and insurance
- Full particulars regarding the driver/operator of the vehicle
- Comments from the:

Director: Corporate Services regarding the type of vehicle and specifications and cost efficiency regarding specific use intended and suitability as pool vehicle

Chief Financial Officer regarding financial implications

- Alternative ways of meeting the need for transport
- Comment on the possibility of replacement with a second hand vehicle
- Evaluation of the need, suitability of type of vehicle, cost effectiveness and recommendation of the Fleet Management Committee

When preliminary approval has been obtained, the matter is referred to the Executive Committee for approval.

6.2 Replacement of Vehicles

The procedure for the replacement of vehicles is the same as that for the purchase of the vehicle but the following additional information must be provided:

- Details of the vehicle to be replaced
- Full motivation for reasons of replacement
- Report by Director: Corporate Services on general condition of the vehicle and its repairs history including standing time for past two years
- Percentage of utilization for the past year.

6.3 Replacement of stolen vehicles written off in accidents

The procedure for the replacement of stolen vehicles or vehicles written off in accidents is the same for the replacement of the vehicles except that because of the possible urgency of

the matter, the Director: Corporate Services shall call a special meeting to consider the replacement.

6.4 Tenders for the purchase of new or the sale of redundant vehicles

As soon as a resolution to purchase or replace a vehicle has been taken, a staff member designated by the Director: Corporate Services that works in his department will:

- Publish, in consultation with the Director: Corporate Services, a suitable invitation to provide or purchase in the local press;
- Ensure that the necessary specification accordingly to the approval is available to all interested parties;
- Ensure that the Council's tender procedures are followed;
- In the case of disposing of or purchasing a vehicle ensure that the necessary change of ownership form are completed reflecting the name and address of the successful bidder;
- In the case of disposing of a vehicle, arrange for the receipt of the tender amount in cash or bank guaranteed cheque by a representative of the Finance Department;
- Submit under cover of a registered letter a copy of the change of ownership form duly completed and signed on behalf of both parties, to the registration authority;
- Advise the Chief Financial Officer regarding the sale of the vehicle requesting its removal from the Asset Register;
- In the case of the purchase of the new vehicle, hand the tenders received to the representative of the Director: Corporate Services for report and recommendations.

6.5 Purchase of new or used vehicles

As soon as the tender for the supply of a new or used vehicle has been approved by the Council:

- The Corporate Services Department will inform all tenderers in writing accordingly;

- The Corporate Services Department will make the necessary arrangements for the delivery of the purchased vehicle;
- The Corporate Services Department and a representative of the Chief Financial Officer will take delivery of the purchased vehicle and after inspection of the vehicle and the certificate of ownership and registration certificate and their approval thereof, the Corporate Services Department will take the documents including any warranties and guarantees as well as duplicate keys (including the duplicate keys of gear locks, de-activator and other safety devices) for safekeeping;
- The Corporate Services Department will only hand over duplicate keys to any person or official on the strength of a written request giving full reasons for the request and the purpose the keys are required for by the Head of Department and only after the person has acknowledged receipt thereof in writing record which shall be kept by the Corporate Services Department;
- The Corporate Services Department must ensure that the keys are out of his/her control for a limited period only and any digression in this regard shall be reported to the Director: Corporate Services;
- The representative from the Corporate Services Department will take the vehicle and one set of keys into possession and hand it over to the respective Department;
- Prior to handing over the vehicle, the representative will convey the operational instructions of the particular vehicle to the representative of the receiving department who must ensure that such directions are strictly adhered to;
- In the case of the purchase of a second hand vehicle, the Corporate Services Department will:
 - Arrange for an official of the Council to be present when the vehicle is presented for SAP clearance, and
 - Ensure that clearance from the seller financial institution or the supplier to the seller regarding any outstanding moneys is obtained.
- The Accountant: Expenditure will be requested to make the necessary payment to the supplier provided that, in the case of a second hand vehicle, any monies still outstanding by the seller will first be settled direct to the financier;

- The Chief Financial Officer will ensure that the particulars of the new vehicle are entered into and that any sold vehicle is delete from the Asset Register of the Council;
- The Director: Corporate Services or any person nominated by him will not effect any repairs to a newly acquired vehicle until confirmation that the guarantee/maintenance plan has expired; All liaison between the supplier and the Council regarding repairs to be done under guarantee/maintenance plan shall take place through the Director: Corporate Services or any person nominated by him.

7. Administrative Arrangements

Change of ownership

The Corporate Services Department will:

- (a) Enter particulars of the vehicle ownership certificate into the Sureties Register and will ensure the safe keeping thereof;
- (a) In the case of the disposal, theft or scrapping of a vehicle, endorse the Surety Register accordingly, and
- (a) File the original copy of the change of ownership certificate and in the case of disposal, theft or scrapping forward a copy thereof by registered mail to the vehicle licensing authority, and inform the Chief Financial Officer or any person nominated by him of the sale, theft or scrapping.
- (b) The Accountant: Expenditure will in the case of a new (or second hand) vehicle on delivery:
- (b) Immediately arrange sufficient insurance cover for the vehicle;
- (b) Allocate a unique maintenance, fuel and licensing vote numbers to that specific vehicle and release the vote numbers to the operating department. In the case of a new vehicle

or a vehicle under guarantee, the activating of the maintenance vote will be held in abeyance until the guarantee period is expired.

(b) Include the particulars of the licensing renewal on the schedule of license renewals;

(b) Arrange for the payment of the purchase price.

Stolen Vehicles / Vehicles Written off in accidents

© The Accountant Expenditure will in the case where a vehicle is stolen:

© Without delay submits the necessary insurance claim;

© Regularly follow up progress in settling the claim and keep the Departmental Head informed in this regard;

© In the case of settlement of the claim, inform the Head of Department and request the Corporate Services Department to act in terms of the above;

© Immediately on notification, de-activate the maintenance, fuel and licensing vote to the vehicle and inform the respective department and the Director: Corporate Services or any person nominated by him accordingly.

Annual Licensing

(d) The Director: Corporate Services or any person nominated by him will ensure that all vehicles are road worthy and in possession of a valid motor vehicle license;

(e) Within the first quarter of each calendar year, the Director: Corporate Services will prepare the schedule of vehicle licenses payable reflecting at least the following information:

- Registration Number
- Year of first registration
- Make

- Model
- Department
- License fees payable
- Due date

(f) The Director: Corporate Services will forward the amended schedule to the Chief Financial Officer who will compare same with the Surety Register and certify as correct;

(g) The Director: Corporate Services will, on monthly basis obtain the required license renewal forms and issue a written request for payment to the Chief Financial Officer who will ensure timely payment and obtaining of the license disc.

(h) The license forms in respect of license renewals will be forwarded to Registry for filing.

Loss or damage reporting procedure

It is highly likely that there will be instances where vehicles are either stolen or damaged during use on official Council business. In the event that any damage is incurred through an accident of any sort, no matter how minor the damage may be, or in the event that a vehicle is stolen whilst in use, the official who was using the vehicle at the time must report the matter to the Head of Department controlling the vehicle.

A loss or damage report sheet (Annexure C) must be completed immediately and must be submitted to the Head of Department controlling the vehicle and thereafter, to the Municipal Manager.

Any official operating a Council vehicle must:

1.1 In the case of an accident:

1.1.1 Not remove the Council vehicle from the scene of the accident before an official on site inspection has been carried out by the Departmental Head as directed by the South African Police or other competent authority;

1.1.2 Ensure that he/she after the accident does not consume any alcohol or drugs other than those administered by the Doctor;

1.1.3 As soon as possible submit the loss or damage control sheet regarding the circumstances that lead to the accident to his/her Departmental Head;

1.1.4 In case of sustaining an injury, complete the necessary Injury On Duty Form and subject himself/herself to a medical examination at a medical practitioner as directed;

1.1.5 If applicable, complete the necessary documentation at the nearest Police Station.

1.2 In the case of theft of or from the Council vehicle:

1.2.1 Report the theft to the SAPS immediately;

1.2.2 As soon as possible, submit a report to his/her Departmental Head regarding the circumstances of the theft.

Insurance Claim Procedures

In the event that the loss or damage suffered, as referred to in the above paragraph, is sufficient enough that an insurance claim must be submitted, the following procedures must be followed:

- A loss or damage control sheet must be completed and submitted to the Head of the Department controlling the vehicle.
- A copy of the loss or damage control sheet must be submitted to the Chief Financial Officer.
- An insurance claim form must be compiled by the Finance Department and must be authorized by the Chief Financial Officer.

- The Chief Financial Officer must ensure that the cost of the repairs/replacement must be greater than the excess on a claim.
- The normal insurance claim procedure must be followed thereafter and the claim listed in the insurance claim register until payment is received from the Municipality's Insurers.
- Where it has been proven due to SAP report that the driver was under the influence of alcohol during the time of accident or the accident was due to accident She /He will pay all the costs incurred and is charged by the institution.

Maintenance Control Procedures

The Accountant: Expenditure will compile monthly costing in respect of all Council vehicles reflecting the following:

- Description of vehicle
- Department
- Projected use
- Actual cost: Fuel
 - Maintenance
 - Repairs
- Fuel consumption accumulative for the year
- Fuel consumption for each month
- Maintenance costs accumulative for a year
- Maintenance costs for each month
- Repairs costs (excluding accidents) for the previous year
- Repairs costs(excluding accidents) for each month
- Repairs costs (excluding accidents) accumulated for the year
- Standing time (waiting for spares).

The Director: Corporate Services or any person nominated by him will in the same report, comment on the general condition of each vehicle and will record any suspected operational negligence or excessive expenditure in fuel consumption or maintenance.

The completed report will be submitted to the Head of Department controlling the vehicle for his comments and indication of the % utilization of the vehicle.

A summary of the report will be included in the monthly report of the Director: Corporate Services which will be submitted to ExCo.

Duties and Responsibilities of Heads of Departments

Heads of Departments must ensure:

- That all staff appointed as Drivers or Operators of Council vehicles:
- Are medically fit to operate vehicles by a Medical Practitioner appointed by the Council.
- Are in possession of valid drivers licenses of the class required to operate the Council vehicle applicable;
- Are tested by and found competent to operate Council vehicles by a person or body designated by Council to perform such tests.
- That all incidents of theft of or from a Council vehicle, accidents involving Council vehicles are:
- Thoroughly investigated and reported to the Municipal Manager
- Promptly reported to the Chief Financial Officer in writing for purposes of submitting the necessary insurance claim.

- That log sheets of Council vehicles under his / her control are checked on a regular basis.
- That equipment kept in Council vehicles is restricted to the essential.

MHLONTLO LOCAL MUNICIPALITY – EC 156
Vehicle Inspection Control Sheet

Vehicle Reg. _____ Driver's Name _____

Kilometer Reading _____ Start _____ Stop _____

	Ser. No.	Item		Yes	No	Remarks
1.		Body Work				
1.1			Scratched			
1.2			Dents			
2.		Driver's Licence	One person			
3.		Emergency Kit	In place			
4.		Fuel Gauge Level				
4.1			Empty			
4.2			Half			
4.3			Full			
5.		Hooter	Working			
6.		Jack	In place			
6.1		Jack Handle	In place			
7.		Lights				
7.1		Brake Lights	OK			
7.2		Head Lights	OK			
7.3		Indicators	OK			

7.4		Parking Lights	OK			
7.5		Reverse Lights	OK			
7.6		Tail Lights	OK			
8.		Log Sheet	Updated			
9.		Fluid Levels				
9.1		Brake Fluid Level	OK			
9.2		Clutch Fluid Level	OK			
9.3		Oil Level	OK			
9.4		Radiator Water Level	OK			
10		Mirrors				
10.1		Roof Mirror	Damaged			
10.2		Side Mirrors	Damaged			
11.		Radio				
11.1		Car Phone	Installed			
11.2		Commercial	Installed			
11.3		Two way	Installed			

.....
Driver's Signature

.....
Date

Comments by the Vehicle Assessor (After the trip)

.....
.....
.....
.....

.....
Vehicle Assessor's Signature

.....
Date



MHLONTLO MUNICIPALITY – EC 156
Scene of Accident



Open straight road stretch

.....
.....
.....
.....

.....

.....

Ungraded Inter-section

.....

.....

.....

.....

.....

.....

Intersection with Robots

.....

.....

Other (sketch scene of accident)



MHLONTLO LOCAL MUNICIPALITY – EC 156

Vehicle Accident Report



Occurrence

Date :

Time :

Driver :
 Place of occurrence :

Vehicle Details

Registration Number :
 Make :
 Odometer Reading :
 Model :
 Year :
 Type :

Driver Details

Full Names :
 ID Number :
 Post Held :
 Driver's License No. :
 Code :
 Endorsement :
 Purpose of the trip :

Injuries to Occupants of Official Vehicle

Name	Company Number	Description of Injury

Reason why injured persons were in a vehicle :

Damage to other vehicle

Name of the Driver :

ID Number :

Name of the Owner (if not driver) :
.....

Address of vehicle owner :
.....

Registration No. of vehicle :
.....

Make :

Licence disc number :

Expiry date :

Injuries to Occupants of other Vehicle

Name	Company Number	Description of Injury

This policy has been approved by the Municipality in terms of Council resolution
dated and takes effect on the effective date of the first valuation roll on 1 July
2014

. Approved by

Mayor

.....
Municipal Manager

Date

.....